



H.R. 6327 – The Federal Aviation Administration Extension Act of 2008

FLOOR SITUATION

H.R. 6327 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Charles Rangel (D-NY) on June 20, 2008. The resolution was referred to the House Committee on Ways and Means, but was never considered.

H.R. 6327 is expected to be considered on the floor of the House on June 24, 2008.

SUMMARY

H.R. 6327 provides a short-term three month extension for the collection of the aviation taxes that fund the Federal Aviation Administration (FAA). The bill also authorizes \$3.7 billion in expenditures for the Airport Improvement Program, as well as extends expenditures for the Airport and Airway Trust Fund through September 30, 2008. H.R. 6327 also extends the authority for the Secretary of Transportation to limit the third-party liability of air carriers arising out of acts of terrorism through March of 2009.

H.R. 6327 also authorizes a transfer of \$8 billion from the U.S. Treasury General Fund for the Highway Trust Fund.

Note: The Highway Trust Fund is usually funded through user-fee taxes on gasoline, certain types of tires, heavy vehicles use, as well as truck and trailer sales.

BACKGROUND

The Federal Aviation Administration (FAA) is an agency within the Department of Transportation that oversees and regulates the U.S. aviation system with the task of providing the safest and most efficient system in the world. The Airport Improvement Program provides grants to public agencies and private entities safety and capacity projects at public-use airports.

The Airport and Airway Trust Fund, created by the Airport and Airway Revenue Act of 1970, provides funding for the nation's aviation system through several aviation excise taxes. Funding currently comes from collections related to passenger tickets, air cargo excise taxes, passenger flight segments, and aviation fuels, among other sources.

The Highway Trust Fund was created by the Highway Revenue Act of 1956 (P.L. 84-627). This fund is used to finance the National System of Interstate and Defense Highways. According to CBO, the HTF will experience a \$1.4 billion budgetary shortfall in fiscal year 2009. Currently, Americans are purchasing less fuel and therefore are depositing less gas taxes into the HTF. Both CBO and the Administration now project that the HTF is likely to have inadequate resources to meet anticipated obligations in a timely manner at some point in 2009. In that event, it is possible that states would face delays in the timing of reimbursements for highway projects, according to CBO.

In February 2008, the President signed the Airport and Airway Extension Act of 2008 (P.L. 110-190). This legislation most recently extended the collection of aviation taxes and extended expenditure authority for the Airport and Airway Trust fund through June 30, 2008.

COST

The Congressional Budget Office (CBO) estimates that enacting H.R. 6327 "would not affect revenues, direct spending, or spending subject to appropriation." [Full CBO Cost Estimate](#)



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